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C8. CHAPTER 8

MANAGEMENT OF STORAGE AND DISTRIBUTION FACILITIES

C8.1. GENERAL

C8.1.1. Distribution System. The bulk petroleum distribution system includes a network of storage facilities (intermediate and base-level) and pipelines required in support of worldwide military fuel requirements, and in some cases other Federal civil agencies' requirements. Sufficient tankage shall be available for economical resupply, rotation for closure of tankage for scheduled maintenance requirements without compromising operational and minimal inventory requirements and for storage of peacetime and war reserve stocks. Planning for wartime petroleum requirements shall rely on host-nation support (HNS) in accordance with the Joint Chief of Staff guidance and procedures for validation of host nation support for deliberate planning and contingency usage.

C8.1.2. Defense Fuel Support Points (DFSPs). Storage facilities are designated DFSPs wherein DLA-owned fuel is stocked for distribution to multiple military end users' O&M accounts (e.g., aircraft, vehicles, ships, or tanks for which fuel is purchased through multiple O&M accounts). DFSPs range in size and scope from a single tank to a pipeline system with a network of multiple terminals.

C8.1.3. Requirements. DESC shall review, analyze, and validate the extent of the bulk petroleum storage and distribution facilities required in support of the DLA-bulk-petroleum management mission. DESC shall validate such requirements in coordination with the Military Services and Combatant Commands through an annual cyclic program. The program is designed to identify, fund, and execute bulk storage and distribution facilities projects in support of DoD petroleum objectives. DESC may conduct optimization studies for emerging requirements to identify efficient alternatives to MILCON or MR&E requests.

C8.1.4. Responsibilities. DLA/DESC shall establish and maintain a DoD-bulk-petroleum distribution system and related programs in coordination with the Military Services and Combatant Commands. DLA, DESC, Military Services, and Combatant Commands have interrelated responsibilities to plan, program, budget, and fund for the operation, maintenance, repair, minor construction, and military construction (MILCON); including environmental compliance of bulk storage and distribution facilities in support of the Military Services' bulk petroleum management mission. In carrying out its responsibilities, DLA/DESC may conduct optimization studies for emerging MILCON and MR&E requests to identify economical alternatives for consideration.

C8.2. TYPES OF BULK PETROLEUM STORAGE TERMINALS (or DFSPs)

C8.2.1. Government-Owned Government-Operated (GOGO). Terminal owned by the U.S. Government and operated by Government employees.

C8.2.2. Government-Owned Contractor-Operated (GOCO). Terminal owned by the U.S. Government and operated by a contractor.

C8.2.3. Contractor-Owned Contractor-Operated (COCO). Terminal owned and operated by a contractor who provides storage and distribution services under contract with the U.S. Government.

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C8.2.4. Foreign Government (FG). Overseas petroleum storage and distribution services provided for the U.S. Government use through a government-to-government MOU. FG DFSPs are either (1) owned and operated by foreign governments, (2) owned by foreign governments and operated by contractors, or (3) owned and operated by contractors.

C8.2.5. North Atlantic Treaty Organization (NATO). Petroleum storage facilities overseas used in support of the U.S. Government as a member of NATO. These terminals are owned by NATO and operated by the host government or the Central European Pipeline Management Agency (CEPMA) consistent with bilateral or multilateral user agreements. Cost of support furnished to the U.S. Government at these terminals is negotiated between the U.S. Government and the operating host government or apportioned by the Central Europe Pipeline Policy Committee.

C8.2.6. Afloat Pre-positioning Force (APF) or Floating DFSPs. This chapter addresses only fixed, permanent facilities. See chapter 9 of this volume for discussion of floating DFSPs.

C8.3. GOVERNMENT-OWNED GOVERNMENT (MILITARY SERVICE) OPERATED (GOGO) DFSPs. Policy guidance and responsibilities for managing U.S. GOGO DFSPs are contained herein. As such, interservice support agreements are not required but may be used to document unique requirements and situations.

C8.3.1. DESC shall:

C8.3.1.1. Develop and provide inventory levels for GOGO DFSPs via the Inventory Management Plan (IMP) or extracts thereof. Inventory levels will be coordinated with the SCPs.

C8.3.1.2. Develop and provide procedures for reporting supply transactions, inventory data, and records of DLA-owned fuel.

C8.3.1.3. Formulate bulk storage and distribution facility planning requirements with JPO/SAPO concurrence for overseas.

C8.3.1.4. Plan, program, budget, and fund projects for maintenance, repair, minor construction, and environmental compliance for these facilities, in accordance with section C8.12., below. Plan, program, budget, and sponsor fuel MILCON projects for DLA funding for these facilities in accordance with section C8.12., below.

C8.3.1.5. Coordinate design and construction projects with the Military Services and the appropriate DESC Region.

C8.3.1.6. Coordinate with the Combatant Command JPO, Military Service, and SCP for identifying fuel terminals for potential optimization studies to identify DoD cost savings and avoidance and identify Most Efficient Organization (MEO) alternatives.

C8.3.1.7. Upon request from Military installations via their respective Service Headquarters and SCP or Combatant Command JPO, conduct fuel optimization studies to identify MEO alternatives and potential cost savings and avoidance for DoD.

C8.3.1.8. Upon request, DESC shall provide support to the Military Services in interpreting applicable environmental regulations and developing projects to bring terminals into compliance.

C8.3.1.9. Fund environmental assessments and statements for proposed new construction projects as required by the National Environmental Policy Act and DoD Directive 6050.1.

C8.3.1.10. Fund environmental permits and compliance requirements in accordance with section C8.9., below.

C8.3.2. Military Services shall:

C8.3.2.1. Plan, program, budget and fund for operating costs of GOGO DFSPs used in support of the DLA-bulk-petroleum management mission; perform organizational maintenance (e.g., grease valves, replace gaskets, clean and maintain equipment and supplies, etc.).

C8.3.2.2. Initiate all requests for DESC to consider conversion of Military Service-operated DFSPs (GOGOs) to DESC-funded DFSPs (GOCOs) or (COCOs) if economic benefit to DoD can be demonstrated via a DESC fuel optimization study or simplified cost analysis for direct conversion per DoD directives.

C8.3.2.3. During the alteration of distribution processes, if economic benefit to DoD is demonstrated to accrue by increasing the mission at a GOGO (e.g., transshipment or alternate receipt of fuel, etc.), labor and/or other costs incurred by the Military Services related to the increased mission will be funded by DESC for the duration of the increased mission). Costs to be funded in this situation may be subject to negotiation.

C8.3.2.4. Situations may develop that result in DESC funding operations or other costs at the Military Services' facilities when a less than most manpower-efficient mode of delivery is awarded. The chosen mode of delivery may represent the best value to the Government or compliance with socio-economic programs and may require the Military Services' staff to be augmented to enable fuel receipt by that mode. DESC shall consider the additional cost to receive fuel by a less than manpower-efficient mode in the Bid Evaluation Model (BEM) process. DESC shall pay the increased costs for the facility to receive the fuel by that mode if the following conditions are met:

C8.3.2.4.1. In order for a Military Service to receive DESC's funding for the cost of operating its POL installation at a level that exceeds the most manpower-efficient level, it must provide information for DESC's use in the BEM process. Information provided must identify the most manpower-efficient delivery mode and the costs of receiving fuel by less efficient modes.

C8.3.2.4.2. The Military Service shall demonstrate that additional manpower resources are required to allow delivery by the new mode. DESC's funding for manpower increase will be provided only if the Military Service's facility was staffed at the most manpower-efficient level during the preceding delivery contract.

C8.3.2.5. Provide for complete receipt, storage, and delivery systems that will be maintained in good operating condition according to Military Service standards and policy guidance set forth in DoD Directive 4140.25 and DoD Directive 7150.5 or with recognized commercial standards.

C8.3.2.6. Program, design, budget, and fund for all operating costs, maintenance, repair, environmental compliance, and construction of facilities used solely in support of the military petroleum mission (facilities which do not support DLA's bulk petroleum mission, i.e., those facilities which hold Military Service-owned fuel). The Military Services shall retain authority to approve or reject such projects being funded with the Military Services' funds.

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C8.3.2.7. Execute and administer all facilities construction contracts for maintenance, repair, minor construction, environmental compliance, MILCON projects, and the inspection and acceptance of work accomplished under these contracts (see section C8.12., below).

C8.3.2.8. Provide DESC-F with proposed MILCON requirements during the annual MILCON planning cycle outlined in paragraph C8.12.6.1., below.

C8.3.2.9. Provide DLA with the following support and services without reimbursement:

C8.3.2.9.1. Maintain inventory levels reported in the IMP.

C8.3.2.9.2. Receive, store, and issue DLA-owned bulk fuel in accordance with the procedures in this manual.

C8.3.2.9.3. Maintain a quality surveillance program consistent with policy guidance in volume II, chapter 7, of this manual.

C8.3.2.9.4. Report supply transactions and inventory data in accordance with the procedures prescribed in this manual.

C8.3.2.9.5. Maintain accountable records and investigate fuel losses exceeding DoD's standard tolerance factors (perform and conduct causative research, prepare DD Form 200, SF 361, etc.).

C8.3.2.9.6. Fund operation and organizational maintenance costs (defined in paragraph C8.12.3.6.) related to the day-to-day tasks needed to receive, store, and issue petroleum products including staffing and supplies associated therewith. (DLA/DESC may fund the cost of contracted maintenance projects when the work is beyond the capability of the Military Service's operating personnel and this work, traditionally, has been performed by contract. DESC will consider contracting out additional functions if there can be demonstrated some economic advantage to so doing.)

C8.3.2.9.7. Operate deballasting and recovery systems when required to avoid losses and prevent environmental pollution damage.

C8.3.2.9.8. Execute environmental permits and compliance requirements in accordance with sections C8.9. and C8.12. Ensure compliance with environmental requirements to include development and implementation of oil spill prevention control and countermeasure and facility fuel transfer operations requirements of the U.S. Coast Guard.

C8.3.2.9.9. Provide DESC-FQ a summary of costs associated with actions taken to remedy spills and contamination incidents.

C8.3.2.9.10. Notify DESC Regions and JPOs (for overseas locations) of DFSP tankage that is planned for removal or return to service and major facility repair which impacts mission capability. Copies of such plans and schedules will be sent to DESC-B/F in the RCS: 1884 Report.

C8.4. GOCO DFSPs (PERMITTED AND LICENSED TO DLA). These DFSPs are owned by the Military Services and operated by contractors under contracts administered by DESC. Such terminals are

permitted or licensed to DLA based on mutually agreed Real Property Permits issued by the Military Services. Policy guidance and responsibilities for managing such DFSPs are as follows:

C8.4.1. DESC shall:

C8.4.1.1. Provide terminal management.

C8.4.1.2. Plan, program, budget, and fund projects for maintenance, repair, minor construction, and environmental compliance for these facilities in accordance with section C8.12., below. Plan, program, budget, and sponsor fuels MILCON projects for DLA funding for these facilities in accordance with section C8.12., below.

C8.4.1.3. Execute environmental permits and compliance requirements.

C8.4.1.4. Develop and maintain the following documents for GOCO DFSPs contracted by DESC: Federal Facility Response Plan; Installation Spill Contingency Plan (ISCP) and Spill Prevention Control and Countermeasure Plan (SPCCP) as required by U.S. Codes and the Environmental Protection Agency; Oil Pollution Prevention Operations Manual (OPPOM) as required by the U.S. Coast Guard for coastal terminals; Research and Special Projects Administration (RSPA); oil discharge prevention and contingency plan as required under the Oil Pollution Act of 1990 (OPA 90); and implement DoD Directive 5030.41, DoD Instruction 4120.14, and DLAM 6050.1.

C8.4.2. Military Services shall:

C8.4.2.1. Designate a host unit that will provide civil engineering services for the terminal, as required by DESC, to include real property maintenance activities based on reimbursement by DESC.

C8.4.2.2. Execute and administer all facilities construction contracts for maintenance, repair, minor construction, environmental compliance and MILCON projects, and the inspection and acceptance of work accomplished under these contracts (see section C8.12., below).

C8.4.2.3. Permit or license real estate and facilities to DLA/DESC.

C8.5. GOCO DFSPs (NOT PERMITTED/ LICENSED TO DLA). These DFSPs are owned by the Military Services and funded by either DESC or the Military Services and operated by contractors under contracts administered by the Military Services or DESC.

C8.5.1. DESC shall:

C8.5.1.1. Plan, program, budget, and fund for operating costs of GOCOs that under IMM Phases I and II DESC assumed funding authority for operations from the Military Services. The Military Services will continue to budget and fund for operating costs of those GOCOs that have not formally transferred funding authority to DESC under IMM Phases I and II. At the request of the Military Services, DESC will consider funding operation of the Phase II GOCOs if economic benefit to DoD can be demonstrated.

C8.5.1.2. At DESC and Military-funded GOCOs: Develop and provide inventory levels; develop and provide procedures for reporting supply transactions, inventory data, and records of DLA-owned fuel; formulate bulk storage and distribution facility planning requirements; and plan, program, budget, and fund for maintenance, repair, minor construction, environmental compliance, and MILCON costs as stated in paragraphs C8.3.1.1. through C8.3.1.10., above.

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C8.5.2. Military Services shall:

C8.5.2.1. Provide terminal management.

C8.5.2.2. Execute environmental permits and compliance requirements.

C8.5.2.3. Execute and administer all facilities construction contracts for maintenance, repair, minor construction, environmental compliance, MILCON projects, and the inspection and acceptance of work accomplished under these contracts (see section C8.12., below).

C8.5.2.4. Provide DESC-F with proposed MILCON requirements during the annual MILCON planning cycle outlined in paragraph C8.12.6.1., below.

C8.5.2.5. Provide DLA with the following support and services without reimbursement:

C8.5.2.5.1. Maintain inventory levels reported in the IMP.

C8.5.2.5.2. Receive, store, and issue DLA-owned bulk fuel in accordance with procedures in this manual.

C8.5.2.5.3. Maintain a quality surveillance program consistent with policy guidance in chapter 7 of this volume.

C8.5.2.5.4. Report supply transactions and inventory data in accordance with procedures prescribed in this manual..

C8.5.2.5.5. Maintain accountable records and investigate fuel losses exceeding DoD's standard tolerance factors (perform and conduct causative research, prepare DD Form 200, Financial Liability Investigation of Property Loss, SF 361, etc.).

C8.5.2.5.6. Fund operating and organizational maintenance costs (defined in paragraph C8.12.3.6.) for Phase II GOCOs related to the day-to-day tasks needed to receive, store, and issue petroleum products including staffing and supplies associated therewith. (DLA/DESC may fund the cost of contracted maintenance projects when the work is beyond the capability of the Military Service's operating personnel, and this work, traditionally, has been performed by contract. DESC will consider contracting out functions if there can be demonstrated some economic advantage to so doing.)

C8.5.2.5.7. Operate deballasting and recovery systems when required to avoid losses and prevent environmental pollution damage.

C8.5.2.5.8. Execute environmental permits and compliance requirements in accordance with sections C8.9. and C8.12. Ensure compliance with environmental requirements to include development and implementation of oil spill prevention control and countermeasure and facility fuel transfer operations requirements of the U.S. Coast Guard.

C8.5.2.5.9. Provide DESC-FQ a summary of costs associated with actions taken to remedy spills and contamination incidents.

C8.5.2.5.10. Notify DESC Regions and JPOs (for overseas locations) of DFSP tankage that is planned for removal or return to service and major facility repair that impacts mission capability. Copies of such plans and schedules will be sent to DESC-B/F in the RCS: 1884 Report.

C8.6. CONTRACTOR-OWNED CONTRACTOR-OPERATED (COCO) DFSPs

C8.6.1. DESC shall:

C8.6.1.1. Plan, program, budget, and fund for operating costs.

C8.6.1.2. Contract for additional storage facilities (if required), within budgetary constraints, to take advantage of favorable fuel prices. Such acquisition will be coordinated with the Military Services and Combatant Commands before execution.

C8.6.1.3. Acquire tanks with floating roofs or pans for highly volatile fuels, such as gasoline, wherever feasible.

C8.6.1.4. In accordance with 10 USC 2388, DLA/DESC may contract for the storage, handling, and distribution of petroleum products for periods of not more than five years, with options to renew for additional periods of not more than 5 years each, but not more than a total of 20 years. Long-term contracts may include a Government option to purchase the storage facility.

C8.6.1.5. Award multi-year contracts (currently up to 5 years with 3-five year option periods) consistent with provisions of the FAR/DFARS and relevant statutes.

C8.6.1.6. Develop an MOA to be signed by the Military Service, installation's commander, and DESC defining specific responsibilities not addressed herein.

C8.6.1.7. This section excludes tariff agreements. For discussion of tariff agreements, see chapter 6, of this volume.

C8.6.2. Military Services. For COCOs established on Military installations, the Military Services shall provide the following:

C8.6.2.1. Fund, conduct, and ensure all baseline studies and assessments in preparation for real estate permitting or leasing to an DESC COCO contractor.

C8.6.2.2. Fund and conduct required remediation of contamination identified by environmental studies that is required by Federal, State or local laws, codes, and regulations before permitting or leasing real estate to an DESC COCO contractor. Any remediation identified as being caused by DLA-owned fuel and not due to the negligence of the Military Services will be paid for by DLA/DESC.

C8.6.2.3. Fund and provide utility services (sewer, electricity; i.e., transformers and telephone lines, water, etc.) and access roads up to the real estate boarder that will be provided to an DESC COCO contractor.

C8.6.2.4. Fund, conduct, and ensure preparation and approval of all documentation required for leasing or permitting real estate to an DESC COCO contractor.

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C8.6.2.5. Provide cost free to a DESC COCO contractor electrical, water, and sewer services as appropriate.

C8.6.2.6. Permit or lease the agreed upon real estate site to the DESC contractor. Included in the lease may be a provision that the Government may purchase the facility or that the facility reverts to the U. S. Government upon the expiration of the lease and any exercised option periods.

C8.6.2.7. Develop an MOA to be signed by the Military Service, installation's commander, and DESC defining specific responsibilities not addressed herein.

C8.7. FOREIGN GOVERNMENTS (FG) DFSPs

C8.7.1. Foreign Agreements. Beneficial use of FG/NATO storage facilities as DFSPs, in support of fuel requirements indicated in the WISP, may be obtained by agreements negotiated by the Combatant Commands or DESC. DESC may negotiate and conclude such agreements as indicated DoD Directive 4140.25.

C8.7.2. Foreign DFSPs for which the U.S. Government has beneficial occupancy under a government-to-government Memorandum of Understanding (MOU) shall be governed by the following policy:

C8.7.2.1. DESC shall plan, program, budget, and fund operating, maintenance, repair, minor construction, and environmental compliance costs for DFSPs used in support of the DLA-bulk-petroleum management mission in accordance with the provisions of the MOU.

C8.7.2.2. Terminal operators shall provide support services in accordance with the terms of the MOU.

C8.7.2.3. The MOU designee shall provide terminal management.

C8.8. INSPECTIONS

C8.8.1. GOCO/COCO DFSPs. DESC shall arrange for periodic inspections of contractor-operated DFSPs.

C8.8.2. GOGO DFSPs. DESC shall visit GOGO DFSPs to assess the integrity and structure of such facilities for project validation and other facilities assistance as required in support of the DLA DWCF. Visits shall be coordinated with the associated command (or Combatant Command JPO for overseas locations), and the SCP, at least 30 days in advance (unless circumstances dictate otherwise). Reports of findings shall be documented in coordination with the associated command or Combatant Command JPO. Copies of the report will be provided to the DFSP, SCP and its command, or the appropriate Combatant Command JPO.

C8.8.3. FG/NATO DFSPs. DESC shall arrange for inspections of FG/NATO fuel facilities when authorized by operating agreements and when annual audit of NATO/host-nation DFSPs is not adequate.

C8.9. ENVIRONMENTAL PROTECTION PROGRAM

C8.9.1. The Military Services and DLA/DESC shall:

C8.9.1.1. Ensure that all necessary actions are taken to prevent, control, and abate environmental pollution related to fuel facilities, activities, and programs in the Defense Department.

C8.9.1.2. Assess the environmental impact of major fuel related actions that affect the quality of the human environment to the extent required by the National Environmental Policy Act of 1969 and subsequent laws.

C8.9.1.3. Ensure that all fuel products obtained and used conform to local, state, Federal, and foreign regulations that relate to the protection of the environment.

C8.9.2. Pollution Control

C8.9.2.1. DESC/Military Services shall take necessary action to comply with applicable air, water, noise, solid waste, and hazardous waste standards in accordance with DLAM 6050.1 for DFSPs storing DLA-owned product.

C8.9.2.2. Military Services storing DLA-owned fuel in their DFSPs shall comply with the appropriate Military Services' directives when reporting environmental deficiencies and maintaining pollution control programs.

C8.9.3. Environmental Impact Assessment

C8.9.3.1. DESC shall prepare environmental assessments on major fuel related actions for which DLA has the lead action (i.e., at GOCO terminals permitted to DLA) in accordance with DLAR 1000.22 and DLAR 1000.29.

C8.9.3.2. Military Services shall prepare environmental assessments on major fuel related actions for which they have the lead action (i.e., at GOGO terminals operated by the Military Services and GOCO terminals administered by the Military Services) in accordance with their Military Services' directives, as appropriate.

C8.9.4. Environmental Compliance

C8.9.4.1. Definition. The provisions in this section apply to bulk POL facilities that stock and distribute DLA-owned fuel. Types of environmental compliance are as follows:

C8.9.4.1.1. Recurring. Operations and services which accomplish “must do” environmental actions that relate directly to storage and distribution of DLA-owned product, such as permits and fees, waste disposal, UST testing, environmental impact analysis process (EIAP), etc. Costs are defined as recurring if they occur annually or more frequently (monthly, bimonthly, etc.). Costs recurring less frequently shall be addressed as nonrecurring projects and services.

C8.9.4.1.2. Nonrecurring. Projects and services that address conditions currently out of compliance are level 1; those that are accomplished to meet a deadline are level 2; and those that are important but not related to an imminent compliance deadline are level 3.

C8.9.4.2. DESC Responsibilities for Compliance Procedures

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C8.9.4.2.1. Ensure that requirements and specifications for bulk petroleum products and coal are in accordance with applicable Federal, state, and local environmental regulations which govern sulfur content, oxygen content, vapor pressure, etc.

C8.9.4.2.2. Develop and implement procedures for compliance of fuel procurement, transportation, and storage with all applicable Federal, state, and local air, water, pesticide, solid waste, and noise abatement standards in accordance with DoD Directive 5100.50 and DoD Instruction 4120.14.

C8.9.4.3. GOGO and GOCO DFSPs. Ultimate responsibility for environmental compliance associated with POL facility operations remains with the installation's commander.

C8.9.4.4. Overseas DFSPs. In accordance with the procedures set forth in DoDD 6050.16 and DoDD 5100.5, DFSPs located outside the United States, its territories and possessions, shall comply with the Final Governing Standards issued for the host nation where they are located. Where no such Final Governing Standards have been issued, such DFSPs shall comply with the criteria under the Overseas Environmental Baseline Guidance Document (Oct 92), applicable treaties (and other international agreements), and substantive host nation pollution control laws of general applicability under Executive Order 12088 (Oct 13, 1978).

C8.10. WORLDWIDE INVENTORY AND STORAGE PLAN (WISP)

C8.10.1. Program Document. The WISP is developed and distributed by DESC-DL as required; it is a DoD integrated storage plan, used in analyzing storage requirements for MILCON projects and COCO locations.

C8.10.2. Preparation

C8.10.2.1. When requested, the Military Services and Combatant Commands JPOs (for overseas bases) shall report the following data to DESC-DL:

C8.10.2.1.1. Planned base-level PWRS storage projects for the current, budget, and Program Objective Memorandum (POM) years.

C8.10.2.1.2. Suggested COCO DFSP actions for the POM years.

C8.10.2.1.3. Suggested HNS initiatives.

C8.10.2.2. DESC-DL shall distribute the WISP to DUSD (L), Joint Staff, Military Services, Combatant Commands, DESC field activities, and DLA-J34. The WISP is a summary report that depicts tankage utilization as a percentage of available capacity as compared to the POM's petroleum requirements (POS and WRM) for a given product and location. The purpose of the WISP is to maximize the use of DoD's facilities by developing and implementing strategies to eliminate storage and distribution inefficiencies. The WISP is classified at the secret level.

C8.11. BULK PETROLEUM STORAGE FACILITIES REPORT

C8.11.1. Policy. DESC-F shall control, maintain, and make available data contained in the Facilities Profile section of the Defense Fuel Automated Management System (DFAMS). The Facilities Profile database documents tankage data, and receiving/shipping capabilities for the following:

C8.11.1.1. Bulk petroleum storage facilities of 500 barrels (79.5 cubic meters) or more capacity (military, federal, or contracted; includes active, inactive, or empty tanks at petroleum terminals, tank farms, pipeline breakout tankage, and military bases).

C8.11.1.2. Banks of manifold, small-fixed tanks that collectively have a total capacity of 500 barrels (79.5 cubic meters) or more for a single product.

C8.11.2. Data Availability. Tankage and Facility Capability data is available through on-line READ-ONLY access to the DESC DFAMS database for all unclassified locations. Information for overseas facilities identified in the DESC classified database is CONFIDENTIAL and will be distributed as appropriate.

C8.11.3. Purpose. The Facilities Report provides a database for analyzing storage capabilities and associated petroleum products worldwide in support of both peacetime and contingency bulk petroleum missions.

C8.11.4. Updating Procedures. Changes in tankage, receiving, and shipping capability data shall be reported as they occur to the appropriate DESC field activity as follows:

C8.11.4.1. The Military Services GOGO facilities data shall be reviewed by the appropriate Military component via on-line access to the DFAMS' database. Any discrepancies shall be reported to the appropriate region either via annotating corrections to on-line screen prints of the current data record or worksheets.

C8.11.4.2. Review and update of DESC-managed facilities data record shall be the responsibility of the managing DESC field activity.

C8.11.4.3. Access to the on-line READ-ONLY profile shall be obtained by contacting the Terminal Area Security Officer (TASO) at respective organizations and providing the following information:

C8.11.4.3.1. Name(s) of individual(s) needing access.

C8.11.4.3.2. Social security number(s).

C8.11.4.3.3. Activity address and physical Location (APO, FPO, etc., not acceptable).

C8.11.4.3.4. Phone number(s) and point of contact.

C8.11.4.3.5. Name of organization, agency, and/or Military Service.

C8.12. MILITARY CONSTRUCTION (MILCON), MAINTENANCE, REPAIR, MINOR CONSTRUCTION, AND ENVIRONMENTAL COMPLIANCE PROGRAMS

C8.12.1. General. The following provides guidance on the planning, programming, budgeting, funding, design and construction of DLA/DESC sponsored Maintenance and Repair (M&R), Minor Construction (MC), Environmental Compliance (EC) projects (and other environmental costs), and Military Construction (MILCON) projects. This section also provides guidance on planning, programming, budgeting, and funding of DLA/DESC sponsored POL equipment.

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C8.12.2. Background. DoD 7420.13-R provides for the Defense-wide Working Capital Fund to be used in funding maintenance and repair of Government-owned bulk petroleum facilities. DoD Directive 4140.25 authorizes DLA to sponsor projects for Defense Fuel Support Points (DFSPs) that issue, receive, and store DLA-owned petroleum products. DoD 4140.25-M broadens this role to include DESC authority to fund maintenance and repair and minor construction projects at Government-owned DFSPs. DLAM 4270.1 provides information and guidance for DLA/DESC sponsored project documentation development. Military Handbook 1022 provides uniform, minimum design requirements for Government petroleum fuel facilities.

C8.12.3. Definitions

C8.12.3.1. Military Construction (MILCON). A military construction project is a single undertaking at a military installation that includes all construction necessary to produce a complete and usable facility at an approved cost equal to or greater than the amount specified by law (currently greater than \$750,000).

C8.12.3.1.1. Current Mission MILCON - these projects revitalize the existing facility plant by replacing or upgrading existing facilities and by alleviating long-standing deficiencies not generated by new missions.

C8.12.3.1.2. Incidental MILCON in Support of New Mission - Upgrades of a fuel facility that are part of a larger conversion or other Military Service initiative are to be funded and accomplished by the Military Service as part of the larger initiative. For example, if extensive facility construction is required in conjunction with a new weapon system, part of which is associated fuel facilities, the fuel facilities construction will be programmed and executed by the Military Service as part of overall MILCON. This allows for construction of support facilities associated with the new weapon system.

C8.12.3.1.3. Unspecified/Urgent Minor MILCON - Unspecified Minor Construction authority is to be used for projects which require accomplishment sooner than would be possible if delayed for inclusion in the next regular MILCON program. This authority provides for projects formerly called Exigent Minor Military Construction and includes self-amortizing projects. These construction projects fall within the range of greater than \$750,000 but less than \$1,500,000.

C8.12.3.1.4. Environmental MILCON - MILCON projects with one or more environmental improvement projects combined to satisfy environmental compliance objectives.

C8.12.3.2. Minor Construction (MC). A minor construction project is a single undertaking at a military installation that includes all construction necessary to produce a complete and usable facility or a complete and usable improvement to an existing facility, with a total cost less than the specified MILCON threshold authorized by law (currently equal to or less than \$750,000).

C8.12.3.2.1. Examples of minor construction projects include erection, installation, or assembly of a new facility; the addition, expansion or extension of an existing facility; the conversion or replacement of an existing facility; or the relocation of a facility from one site to another.

C8.12.3.2.2. Alteration of a facility associated with an increase in mission is considered construction.

C8.12.3.3. Maintenance. The recurring, daily, periodic, or scheduled work required to preserve a facility by preventing its deterioration.

C8.12.3.3.1. Examples of maintenance include tank interior and exterior coatings, pipeline painting, cleaning, pigging pipelines, painting fences, maintenance dredging, disposal of bottom sediment and wastewater, etc.

C8.12.3.3.2. The installation of cathodic protection on an existing real property facility shall be processed as maintenance provided the requirement for cathodic protection was identified after the facility had been placed in service.

C8.12.3.4. Repair. The restoration of a real property facility to such condition that it may be effectively utilized for its designated purpose by overhaul, reprocessing or replacement of constituent parts or materials that have deteriorated by action of the elements or usage and have not been corrected through maintenance.

C8.12.3.4.1. Facility upgrades to comply with environmental, safety, fire protection, and electrical codes may be classified as repair.

C8.12.3.4.2. Repair projects may replace constituent parts of a facility, i.e., piping, electrical wiring, etc., in order to comply with current standards or modern accepted engineering practice. However, if during a replacement of a constituent part of a facility, increase in size, capacity, etc., is due solely to mission change, the difference in cost between "replacement" and the cost of the upgrade is construction.

C8.12.3.4.3. In general, repair must not exceed 50 percent of the replacement cost of the facility without approval from DLA (e.g., the cost of repairing a fuel pier by replacing piles, decking, etc., must not exceed 50 percent of the cost to build a replacement pier).

C8.12.3.5. Environmental Compliance. Environmental compliance for POL facilities is defined by the following, each of which will be funded by DLA/DESC as required, after October 1, 1992 under IMM Phase IIA, or October 1, 1995 at facilities to be capitalized under IMM Phase IIB. The ultimate responsibility for environmental compliance associated with POL facility operations remains with the installation's commander. The Military Services may appeal decisions made by DLA/DESC pertaining to environmental compliance and restoration responsibilities. Appeals will be directed to the Director of DESC, and will then be routed through the Director of DLA for review and comment, and forwarded to ODUSD (A&T) for resolution.

C8.12.3.5.1. Design and Construction of Pollution Abatement Projects. DLA/DESC will fund projects to upgrade POL facilities to control emissions and discharges to meet environmental regulatory standards. Also included are projects needed for POL facilities to achieve regulatory compliance to continue to operate. Requirements to meet such standards will be identified and prioritized by the Military Service or project proponents. Activities and project proponents shall identify candidate projects and estimated costs by using DD Form 1391 or equivalent.

C8.12.3.5.2. POL Waste Site Assessment and Cleanup. DLA/DESC will fund the identification, assessment, and remediation costs of fuel spills and leaks that occur after October 1, 1992 or after October 1, 1995, as appropriate. Activities shall identify these sites and estimated costs using procedures outlined in subsection C8.12.7., below. All past POL contamination sites resulting from activities conducted prior to October 1, 1992 or after October 1, 1995, as appropriate, shall remain a

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Military Service funding responsibility. This will include contamination found during the course of DESC funded M&R, MC, EC or MILCON projects. Remediation of underlying old contamination discovered when new spills or leaks occur will be addressed with the operating Military Service on a cases-by-case basis; however, funding of all contamination occurring prior to October 1, 1992 or October 1, 1995, as appropriate, will remain the Military Services' responsibility.

C8.12.3.5.3. Recurring Environmental Costs to Maintain POL Facility Compliance. These include costs of the following, as applicable to the DLA/DESC fuel storage and distribution mission:

C8.12.3.5.3.1. Operating permits (tanks, fill stands, NPDES, etc.).

C8.12.3.5.3.2. Operational documents (OPPOM, ISCP, etc.): DESC shall fund that portion of the documents applicable to bulk petroleum facilities.

C8.12.3.5.3.3. Sampling and testing of emissions and discharges.

C8.12.3.5.3.4. Removal and disposal of hazardous and other POL wastes.

C8.12.3.5.3.5. Fines and penalties: DESC is responsible for payment of fines and penalties levied by regulatory agencies for environmental noncompliance of bulk petroleum facilities previously identified by the Military Services to DESC and for those conditions beyond the control of the Military Services, unless such fines or penalties result from a lack of timely action by the Military Services.

C8.12.3.6. Operations and Organizational Maintenance. The costs of operations and organizational maintenance of GOGO (Military Service-operated) facilities will not be funded by DLA/DESC. Broadly speaking this would include personnel cost, housekeeping (grease valves, replace gaskets, clean/maintain equipment, etc.) and related supplies. Grounds maintenance (mowing grass, trimming bushes, etc.) is considered organizational maintenance and will NOT be funded by DESC. Operations and organizational maintenance are the Military Services' responsibilities and must be budgeted for and funded by the owning Military Service.

C8.12.3.7. POL Equipment. POL equipment as discussed in this manual consists of accessory POL equipment movable in nature and not affixed as an integral part of the real property facility. This non-real property is sometimes called "plant equipment" or "equipment in place." This equipment includes, but is not limited to, certain mechanical or electrical POL terminal maintenance items (e.g., vacuum pumps, emergency generators) and other required items that have been programmed for POL terminal automation projects at selected DFSPs (including ADP hardware and software, control systems, etc.).

C8.12.4. Project Eligibility for DLA/DESC Funding

C8.12.4.1. For a project or item of POL equipment to be eligible for DLA/DESC M&R, MC, EC, MILCON or equipment funding, it must directly support the DLA-bulk-petroleum management mission. Only fixed, permanent facilities will be eligible for DLA/DESC M&R, MC and EC project funding.

C8.12.4.2. Facility MUST store or distribute DLA-owned product to be eligible for DLA/DESC funding. In addition, the following may be used as supporting documentation:

C8.12.4.2.1. Project necessary to assure environmental compliance with Federal, state and local standards.

C8.12.4.2.2. Project necessary to protect DLA-owned product from loss or contamination (e.g., fire protection systems, cleaning tanks, repair pipelines and tanks, etc.).

C8.12.4.2.3. Project of economic benefit to DLA/DESC (e.g., reduced tanker laytime).

C8.12.4.2.4. Project directed by DLA/DESC (e.g., tank conversion).

C8.12.4.2.5. Project necessary to meet minimum DLA/DESC inventory level requirements.

C8.12.4.3. DLA/DESC will not fund the cost of DFSP operations or base-level organizational maintenance (i.e., routine operation and maintenance, see paragraph C8.12.3.6., for definition of organizational maintenance). DLA-DWCF is not authorized to pay for direct support of Government personnel salaries at DFSPs. DLA/DESC shall fund the cost of contracted maintenance projects when the work is beyond the Military Service operating personnel's capability, and the work historically has not been executed by the Military Service's operating personnel. If work that has historically been performed by the Military Service's personnel is proposed for DLA/DESC funding, clear documentation must be presented which justifies this change.

C8.12.4.4. POL equipment used solely in support of base-level organizational activities (i.e., maintenance, safety, environmental, etc.) shall continue to be funded by the operating Military Service. POL equipment that can be demonstrated to support the DLA/DESC real property maintenance and repair mission will be considered for DLA/DESC funding.

C8.12.5. Development of Project Documentation

C8.12.5.1. MILCON. Each project must be thoroughly researched and documented because it will compete with other projects at the DESC Installation Planning and Review Board (IPRB), the DLA Installation Planning Review Functional Panel (IPRFP) and various OSD and Congressional level reviews. It is mandatory that each MILCON project be supported by the following documentation:

C8.12.5.1.1. DD Form 1390, FY 20 Military Construction Program for Each Installation (guidance in DLAM 4270.1, in accordance with DoDI 7040.4). DD Form 1390 summarizes personnel strengths, real property inventories, and MILCON program information for an installation, and reflects the interrelationship of the proposed project with other ongoing and planned projects.

C8.12.5.1.2. DD Form 1391, Military Construction Project Data, (guidance in DLAM 4270.1, in accordance with DoDI 7040.4). DD Form 1391 summarizes the cost, scope, and justification for a MILCON project. It is the primary document reviewed by OSD and Congress during the MILCON project approval process. Information on this form summarizes the more detailed data provided in the facilities study; cost estimates, economic analysis, and project development brochure are discussed below.

C8.12.5.1.3. Facilities Study (guidance in DLAM 4270.1). The facilities study provides detailed justification for the MILCON project and backup information regarding how the scope of the project was determined. For example, the information provided should address the extent of demolition required if the project replaces an existing facility; it should address prospective impacts of the project on wetlands, flood plains, stormwater management, cultural resources, and local regulatory requirements; and results of asbestos or lead-based paint surveys should be included, if applicable to the project.

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C8.12.5.1.4. Economic Analysis (guidance in DLAM 4270.1). The economic analysis must either justify the project solely on the basis of economics (Type I or primary analysis), or demonstrate the lowest cost alternative in order to fulfill operational requirements (Type II or secondary analysis). The analysis should be a stand-alone document that provides the sources and derivations of all costs and benefits. It must present net-present-value life-cycle costs of each feasible alternative, ranking of alternatives, benefits, sensitivity of assumptions, and use an approved discount rate for constant-dollar analysis per OMB Circular A-94. Cost estimate for the recommended alternative must agree with figures shown on DD Form 1391, adjusted to program year current dollars. Recommend the use of ECONPAK software, available from the US Army Corp of Engineers, Huntsville District; to obtain, call (256) 895-1838, facsimile (256) 895-1557 or write:

Commander
USAED - Huntsville
P.O. Box 1600
Huntsville, AL 35807-4301

C8.12.5.1.5. Scope and Detailed Cost Estimate (verified by cognizant Corps of Engineers or NAVFAC Engineering Field Division, NAVFAC Public Works Center, Air Force Base Engineering Function (using AF Form 1178), or activities Public Works Departments). The detailed cost estimate provides the source and derivation of proposed project costs shown on DD Form 1391. This estimate shall provide sufficient detail for project reviewers to verify the accuracy of quantities and unit prices. Sources of unit price information must be cited explicit. Costs must be escalated for inflation to the anticipated mid-point of construction, and adjusted for locality or size differences from the referenced source information. For overseas locations, applicable foreign currency exchange rate must be addressed in the estimate.

C8.12.5.1.6. Project Development Brochure (PDB) (guidance in DLAM 4270.1) or Air Force Requirements and Management Plan (RAMP). This document shall describe in detail customer requirements and special features to be designed in the project. The PDB or RAMP shall further address customer requirements for construction phasing and for contractor constraints for working in the vicinity of ongoing operations.

C8.12.5.1.7. Statement to Secure Host-Nation Support. For overseas terminals, a statement of proponent's attempt to secure host-nation support for the project, clearly demonstrating that such support is unavailable, impractical, unfeasible, or uneconomical.

C8.12.5.1.8. Site Characterization Survey (SCS) (reference DLAM 4270.1) signed by the activity's commander. The SCS provides an evaluation of the potential for encountering environmental contamination at the proposed construction site, and delineates the nature, extent, and level of that contamination, if any.

C8.12.5.1.9. An Environmental Assessment, Environmental Impact Statement, or other record of environmental consideration, evaluating the potential impact of the project on the environment. The document provided shall be signed by the activity's responsible environmental officer in accordance with requirements set forth by the National Environmental Policy Act of 1969 (NEPA). The Air Force may use its Standard Certificate of Environmental Compliance, if appropriate; other Military Services may use equivalent documents.

C8.12.5.1.10. Site Approval. A site approval, verified by cognizant Corps of Engineers, NAVFAC Engineering Field Division, or Air Force Civil Engineering Activity, or a statement of site selection by the Installation Master Planning Board or equivalent, approved by the installation's commander. This document provides approval for the proposed construction at the site by the activity, in conjunction with the activity master's plan.

C8.12.5.1.11. Other Supporting Documents that Depict Specific Deficiencies or deterioration described in the Facility Study, existing conditions, and the proposed construction site (e.g., photographs, notices of violation, etc.). Photos must be submitted with negatives, annotated on the back of each or with a separate indexed sheet stating the location of each and its purpose.

C8.12.5.2. Maintenance/Repair (M&R), Minor Construction (MC), and Environmental Compliance (EC). To ensure expeditious review for funding approval, each project submission MUST contain the following documentation:

C8.12.5.2.1. DD Form 1391, Military Construction Project Data. Other project documentation may be suitable, if such documentation provides project scope, justification, and cost estimate; documentation substitution must be reviewed and approved by DESC.

C8.12.5.2.2. Detailed Cost Estimate. (verified by Public Works Center, Air Force Base Civil Engineer, Army District Engineer, NAVFAC Engineering Field Division, or Public Works Department). Verification must be noted on cost estimate.

C8.12.5.2.3. Supporting Documentation. Project submissions should include as much supporting documentation as possible. The following documentations are recommended:

C8.12.5.2.3.1. Facilities study (one or two-page document addressing questions outlined in DLAM 4270.1, appendix E).

C8.12.5.2.3.2. Other supporting documents such as sketches and/or photographs, notices of violations, etc.

C8.12.5.3. Project Prioritization

C8.12.5.3.1. To assist in assessing the relative importance of projects within a given funding program (i.e., MILCON, M&R/MC/EC), the forwarding correspondence must include a prioritized list of projects being submitted. DESC will consider each project's content and the submitter's justification, and develop a consolidated priority list containing all projects proposed for a given fiscal year. The priority list for MILCON projects will be used by the DESC IPRB in determining priority of the funds slate. DESC shall provide the Military Service/Major Command/Combatant Command JPO a copy of the MILCON project priority list following the DESC IPRB and again following the DLA IPRFP with the estimated funding cut-off indicated.

C8.12.5.3.2. DESC proposed changes to a submitter's M&R/MC/EC priorities will be discussed with the submitter for resolution. The Military Services and Combatant Commands may request or justify adjustment of a project's priority when an "essential" project is not projected to be funded. The submitter's request should provide a brief statement for each project, which may be at variance with DESC's priority system justifying the priority assigned, in order to expedite this resolution. Changes to submitters' MILCON priorities will be resolved at the IPRB.

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C8.12.5.3.3. The following criteria should be used to develop a justification statement (not necessarily in order of priority):

C8.12.5.3.3.1. Mission Essential. The activity can not or will not, by a specific date, be able to perform its fueling mission.

C8.12.5.3.3.2. Required to Comply with Environmental, Safety, Fire Protection, or Other Regulations or Laws. The specific regulation or law being violated must be specified and synopsized as part of the justification.

C8.12.5.3.3.3. Protection of Product from Loss or Contamination. The justification should address how the project will protect DLA product from contamination or loss.

C8.12.5.3.3.4. Economic Payback. The project will result in an economic payback in a specified period of time (e.g., 2 years, 5 years, 10 years, etc.). The payback period must be supported by economic analysis provided as part of the project documentation.

C8.12.5.3.3.5. Directed by DLA/DESC or Other Higher Authority. If the requirement for the project was directed by DLA or DESC, the correspondence providing direction should be referenced.

C8.12.5.3.3.6. Improve Efficiency of Operation. The justification statement must describe how the project will improve operational efficiency. If cost savings are to be incurred (manpower, materials, etc.), these should be described and enumerated.

C8.12.5.4. POL Equipment. Requests for equipment must be submitted in the DWCF Capital Investment Program Project Justification and Analysis format. Activities may contact DESC-FE to receive the format package; the package will be distributed at the time of each data call (reference subsection C8.12.6., below). Documentation shall clearly state the intended use of each item. Further, each request must include the anticipated investment cost and benefits analysis as required in the submission format.

C8.12.6. Submittal of Project Documentation. It is essential that field activities submit the proposed project documentation within the timeframe specified. Projects or POL equipment requests submitted after the date prescribed may not be included in the intended fiscal year program. However, emergency projects that meet the provisions of subsection C8.12.10., will be accepted at any time, as will requests for funding remediation of POL spills and leaks (see paragraph C8.12.7.4., below). The data call, project aggregation, approval and feedback process will occur as noted in the following timetable. A graphic explanation of the timetable is provided in figures C8.F1. and C8.F2.

C8.12.6.1. MILCON Cycle - Annual

C8.12.6.1.1. May (Program Year - 5). DESC issues data calls for MILCON submissions for program year (e.g., in May 2002, the data call will require MILCON submissions for FY 07). Submissions for outyear projects (after the program year) may consist of preliminary documents. Submissions will be made to DESC-FE via the appropriate chain of command.

C8.12.6.1.2. May to September (Program Year - 5). Activities shall prepare and submit candidate MILCON projects through the appropriate Combatant Command JPO and SCP review and approval chain. Combatant Commands JPOs and SCPs shall review, validate projects, and develop consolidated project priority lists for submission to DESC.

C8.12.6.1.3. October (Program Year - 5). Combatant Commands JPOs and SCPs will forward candidate POL MILCON projects and consolidated project priority lists to DESC.

C8.12.6.1.4. October (Program Year -5). DESC receives candidate project submissions and prepares MILCON slate for IPRB review and validation.

C8.12.6.1.5. November (Program Year - 5). IPRB reviews and prioritizes MILCON projects. DESC publishes IPRB results.

C8.12.6.1.6. December (Program Year - 5) to November (Program Year - 4). Upon notification of IPRB results, activities shall prepare and submit full project documentation for IPRB approved and prioritized projects ranking high enough to be within budgeted funds for the program year. The IPRB may vote to have the Combatant Commands JPOs or SCPs submit additional documentation for projects just below the budget cutoff line as placeholders should changes occur to the budget or other projects drop out.

C8.12.6.1.7. December (Program Year - 4) to January (Program Year -3). DESC shall perform a full review of project documentation of IPRB approved MILCON projects.

C8.12.6.1.8. February (Program Year - 3). Full documentation submitted to DLA.

C8.12.6.1.9. March to August (Program Year - 3). DLA shall verify full project documentation in preparation for design.

C8.12.6.1.10. September (Program Year -3). DLA shall rank projects.

C8.12.6.1.11. October (Program Year -3). DLA Director approves authority to design.

C8.12.6.1.12. November (Program Year - 3). Design agents authorized to design to 35 percent.

C8.12.6.1.13. November (Program Year - 3) to June (Program Year - 2). Agents design to 35 percent.

C8.12.6.1.14. July (Program Year -2). DLA Director approves MILCON Program.

C8.12.6.1.15. September (Program Year -2). DLA submits MILCON Program budget to OSD.

C8.12.6.1.16. January (Program Year -1). President's budget submitted to Congress.

C8.12.6.1.17. January to September (Program Year - 1). Complete design and Congressional review and approval, concurrently.

C8.12.6.1.18. October (Program Year - 1). Obtain MILCON funding.

C8.12.6.1.19. February (Program Year). Award MILCON construction contracts.

C8.12.6.2. Maintenance/Repair/Minor Construction/Environmental Compliance/POL Equipment Cycle- Annual

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C8.12.6.2.1. October (Program Year - 2)

C8.12.6.2.1.1. Projects. DESC issues data call for M&R, MC, and EC project nominations for a 2-year period beginning with the budget year (e.g., in October 2002, the data call will require M&R, MC, and EC project submissions for the 2-year period beginning in FY 04 and ending FY 05). Full documentation is required for the first year and line item listings are required for the second year. The data call shall be sent directly to the Combatant Commands JPOs and SCPs, as determined to be the appropriate component review and approval chain. Combatant Commands JPOs and SCPs will relay data call to field activities with appropriate submission timetable to forward project submission to DESC NLT February 1.

C8.12.6.2.1.2. Recurring Environmental Costs. Installations, through their SCPs, shall supply DLA/DESC with anticipated recurring environmental compliance costs for the program year plus one outyear, as with the M&R projects. This information will be requested by DESC in the M&R data call. Guidance for summarizing and reporting individual installation budgets will be provided by DESC-FQ. Activities shall provide justification if anticipated costs are significantly different from the previous year's request.

C8.12.6.2.1.3. POL Equipment. The M&R data call shall also request submission of POL equipment requirements. Documents will be requested for the program year and line item listings of anticipated requirements will be requested for five subsequent years.

C8.12.6.2.2. January (Program Year - 1)

C8.12.6.2.2.1. Projects. SCPs and Combatant Commands JPOs shall review, validate projects and develop consolidated project priority list. Overseas projects will be prioritized by the Combatant Commands vice Military Service components. Project documentation and consolidated priority list will be forwarded to DESC-FE no later than February 1. SCPs and Combatants JPO shall inform field activities of projects selected and those projects not forwarded to DESC and the reasons for non-submission.

C8.12.6.2.2.2. Recurring Environmental Costs. Combatant Commands JPOs and SCPs shall assemble budget request data from activities and forward to DESC-FQ no later than February 1.

C8.12.6.2.2.3. POL Equipment. Requirements shall be submitted through Combatant Commands JPOs and SCPs to DESC no later than February 1.

C8.12.6.2.3. February to April (Program Year - 1). DESC shall review, validate, program, and budget for approved projects.

C8.12.6.2.3.1. Projects. Approved MRE projects.

C8.12.6.2.3.2. Recurring Environmental Costs. Budget information submitted to DESC-FQ shall be reviewed and validated, and used as the basis for initiating and updating MIPRs for recurring environmental compliance support (see paragraph C8.12.7.3., below).

C8.12.6.2.3.3. POL Equipment. Approved POL equipment.

C8.12.6.2.4. May (Program Year -1)

C8.12.6.2.4.1. Projects. DESC shall provide a consolidated list of approved projects to Combatant Commands JPOs and SCPs. Additionally, DESC shall provide comments on projects not approved or requiring additional information for approval. Design funding may be available upon approval of the project (depending upon the execution rate of the current year's program).

C8.12.6.2.4.2. Recurring Environmental Costs. DESC shall provide a consolidated list of approved environmental costs to the Combatant Commands JPOs and SCPs.

C8.12.6.2.4.3. POL Equipment. Validation continues as necessary.

C8.12.6.2.5. October (Program Year)

C8.12.6.2.5.1. Projects. Upon request, DESC will provide funding for approved projects directly to responsible offices designated by field activities having jurisdiction over POL facilities. Data call for the next year is issued.

C8.12.6.2.5.2. Recurring Environmental Costs. Funding is issued for costs approved by DESC. Data call for the next year is issued.

C8.12.6.2.5.3. POL Equipment. Upon request, DESC shall provide funding for approved POL equipment directly to the responsible procuring office designated by the field activity having jurisdiction over POL facilities. Data call for the next year is issued.

C8.12.7. Funding. DLA/DESC is responsible for the planning, programming, budgeting, and funding of MILCON, minor construction, maintenance, repair, and environmental compliance (including design) to include emergency projects.

C8.12.7.1. MILCON

C8.12.7.1.1. When MILCON projects are approved and funding is authorized by Congress, DLA will provide the funds via a MIPR (DD Form 448) and an accompanying DD Form 448-2, Acceptance of a MIPR, to the activity designated by the Military Service as the office in charge of executing the project. The designated activity must accept or reject the basic MIPR/MIPR amendment by returning the signed DD Form 448-2 to DLA within 30 days of the MIPR's receipt date.

C8.12.7.1.2. The authority to fund MILCON projects expires within two years if the earmarked funds for that authorized fiscal year are not obligated.

C8.12.7.1.3. DLA is responsible for obtaining funding through reprogramming if necessary. In those instances where the level of funding falls short of the project programmed amount, DLA will be required to seek Congressional action supported by full justification. If Congress disapproves additional funding, the project will be canceled or reprogrammed. Funds received in excess of requirements cannot be used without Congressional approval.

C8.12.7.1.4. Remediation of proposed MILCON sites shall be addressed prior to inclusion of a project in the DLA MILCON program. The cost of remediation will not be included as part of the MILCON project. In addition, remediation shall be funded by the owning and operating Military Service if the cause of contamination occurred prior to DESC taking ownership of the fuel in question.

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C8.12.7.2. Maintenance and Repair (M&R), Minor Construction (MC), Environmental Compliance (EC), and POL Equipment

C8.12.7.2.1. DLA/DESC shall approve and fund M&R, MC, EC projects, and POL equipment through DWCF. Funds for approved projects will be provided via MIPR (DD Form 448) and an accompanying Acceptance of MIPR (DD Form 448-2) to the activity designated by the Military Service as the office in charge of executing the project. The designated activity must accept or reject the basic MIPR/MIPR amendment by returning the signed DD Form 448-2 to DLA within 30 days of the MIPR's receipt date.

C8.12.7.2.2. The DWCF is non-expiring; therefore, the funding authority provided on the MIPR is valid from the date of acceptance to project completion. A MIPR citing DWCF appropriation can be carried over from one fiscal year to the next.

C8.12.7.2.3. Capital funds to support MC projects in excess of \$100,000 and POL equipment are expiring funds, and must be obligated in the year in which they are provided. Specific instructions on the use of this funding will be provided on each applicable MIPR.

C8.12.7.3. Recurring Environmental Compliance Costs. Recurring environmental costs are envisioned to include the costs of permitting, sampling, testing, removal, and disposal of POL wastes, etc., which directly relates to storage and distribution of DLA-owned product. Costs are defined as recurring if they occur annually or more frequently (monthly, bi-monthly, etc.). DESC provides these funds directly to the bases via a MIPR upon receipt of a written request.

C8.12.7.3.1. Upon receipt of a written funding request, DESC shall furnish each activity a MIPR. The base must accept or reject the MIPR by returning the signed DD Form 448-2 to DESC within 30 days of the MIPR's receipt date.

C8.12.7.3.2. The level of funding required will be tailored to each installation. Where the actual recurring costs exceed the budgeted amount for a given fiscal year, the activity can request an amendment to the MIPR, citing the additional cost. DESC will review the request and prepare the amendment as appropriate.

C8.12.7.3.3. The management of these funds will be the responsibility of the activity's commander, and the activity will be responsible for accounting for these funds prior to replenishment.

C8.12.7.4. POL Spill Reporting and Funding. The following procedures describe actions to be taken following a POL spill of DLA-owned fuel after October 1, 1992 (or after October 1, 1995 at facilities capitalized under IMM Phase IIB).

C8.12.7.4.1. A timely spill incident report must be provided to DESC and the appropriate managing DESC field activity. This may be accomplished by including DESC and the managing field activity as addressees on the spill incident reports required by the Military Services or Combatant Commands.

C8.12.7.4.2. The "on-the-scene" incident commander is assumed the best able to make appropriate judgments as to immediate actions required. Contractor costs resulting from these emergency actions may be submitted to DESC subsequent to the action for reimbursement.

C8.12.7.4.3. After immediate spill cleanup actions have been taken, there may be in-depth remediation required, such as cleaning contaminated soil. The plan for remediation and estimated costs should be submitted to DESC prior to commitment. DESC shall review the plan and provide funds as appropriate for the remediation. Delay in determination of remediation required can result in more extensive contamination and more costly cleanup. Activities shall consult DESC-FQ as soon as possible after the incident for assistance in determining methodologies for the most expeditious and cost-effective cleanup of long-term problems if this expertise is required.

C8.12.7.5. Emergency Funding Reimbursement. DESC has procedures for funding emergency projects which are outlined in subsection C8.12.10. (message to DESC describing requirement and anticipated costs; expedited funds, same day or next day; the Military Service activity then follows with project documentation to DESC). In the event of an emergency, the installation's commander has the authority to obligate funds necessary to remain in compliance with legal or regulatory environmental strictures with subsequent reimbursement by DLA/DESC.

C8.12.8. Design

C8.12.8.1. Applicable Guidance. All POL facilities must be designed using guidance provided in subsection C8.12.2., above, the applicable Military Service type specifications, American Petroleum Institute (API), and National Fire Protection Association (NFPA) Standards. In addition, POL facility designs shall conform to Occupational Safety and Health Administration (OSHA) requirements (or the Military Service's equivalent), applicable Codes of Federal Regulations (CFR), EPA, state, and local environmental regulations.

C8.12.8.2. DLA/DESC Oversight. While the Military Services' petroleum facility design standards are generally to be used on DLA/DESC-funded projects (if deemed appropriate), in accordance with OASD July 31, 1989 memorandum, subject: Follow-up on OIG Report No. 88-06, Defense Management of Wholesale Fuels, DLA/DESC maintains the ultimate discretion over all DLA/DESC-funded project designs including any design required for construction change orders. In addition, DLA/DESC maintains the right to choose and assign design and/or construction agents for any or all projects. If differences arise between user and agents, activities shall contact DESC-FE for resolution.

C8.12.8.3. Document submission. It is critical that, if requested, DLA, DESC, Combatant Commands JPOs and **SCPs** be provided copies of the design review documents from conceptual stages through the final design for any project. Project documents (plans, specifications, and cost estimates) **MUST** be submitted to DESC when individual repair project cost is \$750,000 or greater.

C8.12.9. Construction

C8.12.9.1. Coordination of Construction Work. The construction manager (Resident Officer in Charge of Construction (ROICC), Resident Engineer, U.S. Property and Fiscal Officer (USFPO), or Base Civil Engineer) will coordinate all construction with the installation's fuels management officer or his duly authorized representative. This will ensure that POL construction work is performed in harmony with terminal operation requirements. Terminal operation requirements will normally have priority over construction work and should be covered by special clauses in the contract.

C8.12.9.2. Change Orders. In the case of contract work deviations, the ROICC shall obtain prior approval/disapproval from the Combatant Command JPO or **SCP** who, in turn, will coordinate with DLA/DESC for all necessary project change orders and funding approval.

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C8.12.9.3. DLA/DESC Oversight. In accordance with OASD (P&L) memorandum, July 31, 1989, Subject: "Follow-up on OIG Report No. 88-06, Defense Management of Wholesale Fuels," DLA/DESC maintains the right to choose and assign design and/or construction agents for any or all projects. If differences arise between user and agents, activities shall contact DESC-FE for resolution.

C8.12.10. Emergency Projects

C8.12.10.1. Description. Emergency projects are projects that are urgently needed to restore or repair an existing facility or equipment to its normal operation in the event of sudden malfunction or failure. Examples of emergency projects are a leaking pipeline, pump or motor stoppage, storage tank failures, etc.

C8.12.10.2. Notification and Justification. An emergent funding request can be made by message with follow-up transmittal of DD Form 1391, together with cost estimates and photos, if available. Justification for emergency projects shall explain the nature of the emergency and its impact on operations or on the environment. It is imperative that the nature of the accident be accurately described for DLA/DESC's approval.

C8.12.10.3. Funding. The application of funding for repair projects shall be processed as soon as possible after the malfunction or failure occurs. In the event of an emergency, the installation's commander has the authority to obligate funds necessary to remain in compliance with legal or regulatory environmental strictures with subsequent reimbursement by DLA/DESC.

C8.12.10.4. Emergency MILCON. Submission of emergency projects for the DLA MILCON program must be made in accordance with DLAM 4270.1, paragraph 3202 .

C8.12.10.5. POL Spills. See paragraph C8.12.7.4., above, for discussion of spill incident reporting and funding.

C8.12.11. Actions/Responsibilities

C8.12.11.1. DFSPs shall:

C8.12.11.1.1. Identify deficiencies by reviewing and evaluating activities' master plans, annual inspection Summaries, IG findings, recommendations made during inspections and visits by the Military Service's inspection components or other governmental agencies (i.e., EPA, Coast Guard, etc.).

C8.12.11.1.2. Use criteria provided in subsection C8.12.4., above, to determine whether DLA/DESC is the appropriate funding sponsor.

C8.12.11.1.3. Determine appropriate type of project (MILCON, M&R, MC, and EC) using the definitions provided in subsection C8.12.3., above, and guidance found in DLAM 4270.1.

C8.12.11.1.4. Develop project documentation in accordance with subsection C8.12.5., above. This documentation must inherently show or explain in detail why DLA/DESC sponsorship is appropriate.

C8.12.11.1.5. Submit project documentation in accordance with subsection C8.12.6., above, and figures C8.F1. and C8.F2. This documentation should be submitted via the appropriate chain of

command. In addition to project documentation, this submittal shall include a priority list of projects (see paragraph C8.12.5.3.) and the addresses and contact points of the responsible office or the contracting officer who will accept the MIPR.

C8.12.11.1.6. Ensure that the MIPR is processed in accordance with subsection C8.12.7.

C8.12.11.1.7. Review design plans, specifications, and construction procedures to ensure they conform to references in subsection C8.12.2., above, and other standards addressed in subsection C8.12.8., above, and are appropriate to the geographical location, intended operational requirements, and the facility's purpose.

C8.12.11.1.8. Forward a copy of the design plans, specifications, and construction change orders, if requested, to DESC, the appropriate Combatant Command JPO, and [SCP](#) for review and comment.

C8.12.11.1.9. Encourage attendance of applicable major claimants at predesign conference, construction contract preaward, and final acceptance meeting.

C8.12.11.2. Combatant Commands Joint Petroleum Offices shall:

C8.12.11.2.1. Coordinate DESC's data calls with DFSPs and Military Service components within their command chain.

C8.12.11.2.2. Review project documentation to ensure that it is prepared in accordance with subsection C8.12.5. and that sponsorship justification is adequately addressed.

C8.12.11.2.3. Develop consolidated project priority list using guidance found in paragraph C8.12.5.3.

C8.12.11.2.4. Forward projects to DESC via the appropriate chain of command.

C8.12.11.2.5. Represent theater major claimants and commands at the DESC IPRB, as required.

C8.12.11.2.6. Encourage attendance of applicable major claimants at predesign conference, construction contract preaward and final acceptance meeting.

C8.12.11.2.7. If required, review design plans and specifications to ensure they conform to references in subsection C8.12.2., above, and other standards addressed in subsection C8.12.8, above.

C8.12.11.2.8. If required, review and comment on construction change orders.

C8.12.11.3. Military Service Control Points shall:

C8.12.11.3.1. Coordinate DLA/DESC's data call with appropriate activities.

C8.12.11.3.2. Review project documentation to ensure that it is prepared in accordance with subsection C8.12.5., above, and that sponsorship justification is adequately addressed.

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C8.12.11.3.3. Develop consolidated project priority list for CONUS projects using guidance found in paragraph C8.12.5.3.

C8.12.11.3.4. Identify those projects that could be considered for an DESC optimization study for consideration of potential alternatives versus MILCON or MR&E repair by replacement.

C8.12.11.3.5. Forward projects to DESC.

C8.12.11.3.6. Review, as necessary, all POL design plans and specifications to ensure they conform to references in subsection C8.12.2, above, and other standards addressed in subsection C8.12.8., above.

C8.12.11.3.7. Provide technical assistance to activities, Combatant Commands JPOs, major claimants/commands, DESC, and DLA upon request.

C8.12.11.3.8. Encourage attendance of appropriate representatives at the predesign conference, construction contract preaward, and final acceptance meeting.

C8.12.11.4. Defense Fuel Regions (PAC and EUR) shall:

C8.12.11.4.1. Assist the Combatant Command JPO in project validation during project aggregation and prioritization phase.

C8.12.11.4.2. Identify those projects that could be considered for DESC's optimization study for consideration of potential alternatives versus MILCON or MR&E repair by replacement.

C8.12.11.4.3. Validate and inspect selected projects during construction phase of facility maintenance and repair program to ensure appropriate expenditure of funds in accordance with subsections C8.12.4. and C8.12.7.

C8.12.11.5. DESC shall:

C8.12.11.5.1. Receive, validate, and approve project and POL equipment documentation; provide design funding, upon request, to designated design agent.

C8.12.11.5.2. Review those projects that could be considered for DESC's optimization study for consideration of potential alternatives versus MILCON or MR&E repair by replacement.

C8.12.11.5.3. Coordinate any recommended optimization actions with the responsible Military Service, SCP, Combatant Command JPO, and DESC Region.

C8.12.11.5.4. Review proposed construction plans, specifications, and cost estimates; validate (with the assistance of the managing DESC field activity and [SCP](#)) project necessity; approve and provide funding for proposed M&R, MC, EC projects, and POL equipment.

C8.12.11.5.5. Ensure (through review of randomly selected projects by DESC field activities) projects, as constructed, and POL equipment as installed, are in accordance with the approved scope, fulfill a valid wholesale requirement, and result in the most economic solution to the existing problem.

C8.12.11.5.6. Ensure projects are in accordance with the facility's requirements as outlined in the regional fuel support master plans, as these plans are developed. Plans are to be developed in coordination with the Military Services and final copies provided to [SCPs](#).

C8.12.11.5.7. Provide a detailed accounting of criteria used in the DESC prioritization process to aid Combatant Commands and the Military Services in their respective prioritization. Route GOCO projects through Combatant Commands JPOs for in-theater prioritization where appropriate.

C8.12.11.5.8. Ensure that the bulk fuels program complies with all environmental regulatory requirements.

C8.12.11.6. DLA shall:

C8.12.11.6.1. Support valid funding requirements for the DLA/DESC M&R program, environmental compliance costs, and POL equipment.

C8.12.11.6.2. Review project documents and approve or disapprove funding requests for repair projects greater than \$750,000.

C8.12.11.6.3. Receive, validate, prioritize, and support valid requirements for bulk fuels MILCON projects. Budget and fund for these MILCON projects. Provide project management during design and construction.

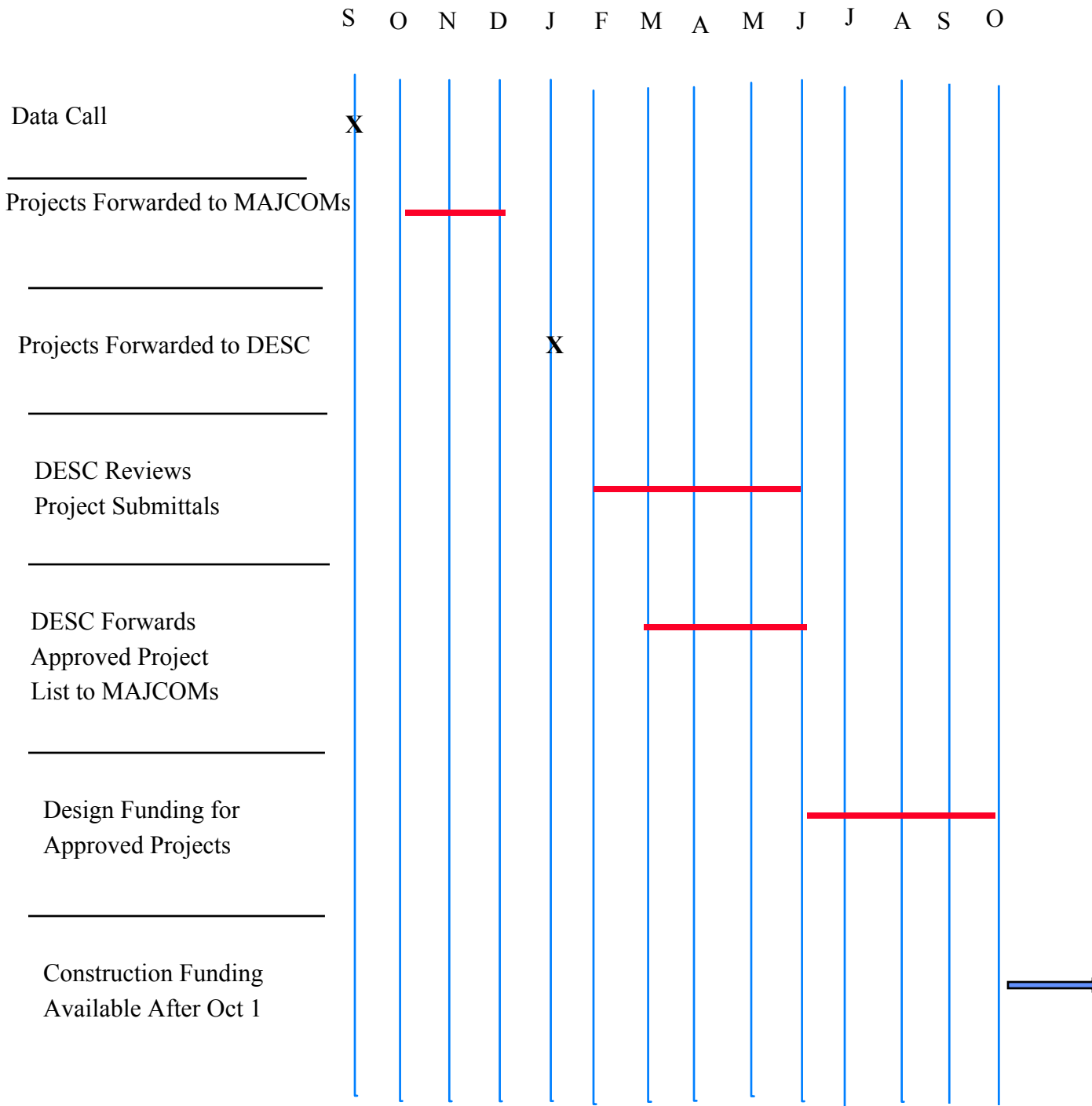
Figure C8.F1. Annual MRE Program Cycle

Figure C8.F2. MILCON Program Cycle